GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:6219
ANSWERED ON:05.05.2000
FINANCIAL SYSTEM OF COUNTRY
AMAR ROY PRADHAN

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have drawn up an action plan to form the basis of architecture of financial system of the future of the country as well as of each of the state;

(b) if so, the details of the plan; and

(c) the time by which it will be finalised and implemented?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a), (b) & (c): The key components pertaining to reform of architecture of the International Financial System are choice of an appropriate exchange rate regime, management of capital flows and liberalisation of capital markets, strengthening of domestic financial systems involving the private sector in crisis resolution, adequacy of the IMFs resources and reform ofinternational institutions. Steps taken by the international community in this regard involve development of data standards (the Special Data Dissemination Standard and GeneralData Dissemination Standard) fiscal transparency and monitoring codes and priniciples for banking supervision. India is a subscriber to the Special Data Dissemination Standard (SDDS)and has fulfilled all the requirements of the system. The Reserve Bank of India formulatesfrom time to time prudential norms and standards for effective supervision and monitoring of the banking sector.